

**CENTERS FOR MEDICARE & MEDICAID SERVICES
EXPENDITURE AUTHORITY**

NUMBER: 11-W-00193/9

TITLE: California Bridge to Reform Demonstration

AWARDEE: California Health and Human Services Agency

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by California for the items identified below, which are not otherwise included as expenditures under section 1903 of the Act shall, for the period of this Demonstration, be regarded as expenditures under the State’s title XIX plan. The expenditure authority period of this Demonstration is from the approval date through December 31, 2013, except that the expenditure authority for the SNCP Uncompensated Care, Delivery Reform Incentive Pool and Designated State Health Care Programs extends through October 31, 2015.

The following expenditure authorities shall enable California to implement the California Bridge to Reform Demonstration . There are additional individual limitations on expenditure authorities as outlined below.

I. SAFETY NET CARE POOL PROGRAM

Subject to an overall cap on the Safety Net Care Pool (SNCP), the following expenditure authorities are granted for the period of the Demonstration:

A. Provider and Program Support: Authority for (a) (b), and (c) shall apply from the date of the approval letter through October 31, 2015.

a. Uncompensated Care. Expenditures for care and services that meet the definition of ‘medical assistance’ contained in section 1905(a) of the Act that are incurred by hospitals, providers and clinics for uncompensated medical care costs of medical services provided to Medicaid eligible or uninsured individuals, and to the extent that those costs exceed the amounts paid to the hospital pursuant to section 1923 of the Act.

b. Designated State Health Care Programs (DSHP). Expenditures for DSHP, which are otherwise state-funded programs that provide services as specified in the funding and reimbursement protocol for the SNCP.

1. Expenditures for medical care under:
 - i. Breast and Cervical Cancer Treatment Program (BCCTP);
 - ii. Medically Indigent Adults/Long Term Care (MIA/LTC) Program;

- iii. California Children’s Services (CCS) Program, individuals in the Medicaid State plan are excluded;
 - iv. Genetically Handicapped Persons Program (GHPP);
 - v. Expanded Access to Primary Care (EAPC); and
 - vi. AIDS Drug Assistance Program (ADAP).
 - vii. Departmental of Developmental Services (DDS)
 - viii. County Mental Health Services
2. Expenditures for workforce development programs related to medically disadvantaged service areas:
- i. Office of Statewide Health Planning & Development
 - a. Song Brown HealthCare Workforce Training
 - b. Health Professions Education Foundation Loan Repayment
 - c. Mental Health Loan Assumption.
 - d. Training program for medical professionals at CA Community Colleges, CA State Universities, and the University of California.
- c. Delivery Reform Incentive Pool.** Expenditures for incentive payments from a Delivery System Reform Incentive Pool.
- d. New Health Care Coverage Initiative (HCCI) Recipient:** From the date of the approval letter through December 31, 2013, expenditures for adults between 19 and 64 years of age who have family incomes above 133 through 200 percent of the FPL, or as set by an HCCI participating county, based on available funding as described in the Safety Net Care Pool STCs.
- e. Existing Health Care Coverage Initiative (HCCI) Recipient:** From the date of the approval letter through December 31, 2013, expenditures for individuals whose income is above 133 through 200 percent of the FPL, and who were enrolled in the “Medi-Cal Hospital/Uninsured Care Waiver,” but who do not meet the income eligibility requirements under the Demonstration for the Low Income Health Program in their county of residence, based on available funding as described in the Safety Net Care Pool STCs.
- f. Existing Medicaid Coverage Expansion (MCE) Recipient:** From the date of the approval letter through December 31, 2013, expenditures for individuals whose income is at or below 133 percent of the FPL, and who were enrolled in the “Medi-Cal Hospital/Uninsured Care Waiver,” but who do not meet the income eligibility requirements under the Demonstration for the Low Income Health Program in their county of residence, based on available funding as described in the Safety Net Care Pool STCs.

II. DEMONSTRATION POPULATION

- a. **Medicaid Coverage Expansion (MCE) Recipient:** Expenditures for medical assistance furnished to individuals who meet county residency requirements of a participating county, U.S. citizenship or qualified alien requirements, are not eligible for Medicaid or CHIP, are not pregnant, are between 19 and 64 years of age, have family incomes at or below a county-established standard that shall not exceed 133 percent of the FPL.

III. Expenditures Related to Delivery Systems for the Low Income Health Populations.

1. Expenditures under contracts with county-based delivery systems that do not meet the requirements in section 1903(m)(2)(A) of the Act regarding managed care organizations (MCOs), specified below. The county-based delivery systems providing services under this demonstration shall meet all requirements of section 1903(m)(2)(A) except the following:
 - Section 1903(m)(2)(A)(vi) insofar as it requires compliance with section 1932(a)(4) of the Act regarding the ability of enrollees to disenroll from a managed care entity. Enrollees' right to disenroll from a county-based delivery system will be restricted.
 - Section 1903(m)(2)(A)(xii) but only insofar as it requires compliance with section 1932(a)(3)(A) in counties without health-insuring organizations by offering a choice of at least two managed care organizations to enrollees. Enrollees shall have a choice of at least two primary care providers, and may request change of primary care provider at least at the times described in Federal regulations at 42 CFR 438.56(c).
 - Section 1903(m)(2)(A)(xii) but only insofar as it requires compliance with section 1932(b)(2) regarding payment of emergency services furnished by non-contracted providers. Payments made by county-based delivery systems for out-of-network emergency services may differ from the requirements in statute.
 - Section 1903(m)(2)(A)(xii) but only insofar as it requires compliance with section 1932(b)(5) regarding network adequacy. The State will be required to ensure that county-based delivery systems comply with the network adequacy requirements set forth in the STCs.
 - Section 1903(m)(2)(A)(xii) but only insofar as it requires compliance with section 1932(c)(1) and Federal regulations at 42 CFR 438.200-204 regarding development of a State quality strategy. The State will not be required to develop a quality strategy but will be required to ensure that county-based delivery systems comply with the standards and requirements set forth in the STCs.
 - Section 1903(m)(2)(A)(xii) but only insofar as it requires compliance with section 1932(c)(2) regarding an external independent review of managed care activities. The State will not be required to provide for an external quality review of county-based delivery systems.

7. Single State Agency

Section 1902(a)(5)

To the extent necessary to enable the California to allow county health department employees to determine eligibility for the Low Income Health program.